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NEA/ELA, NSC FOR MARCHESE

E.O. 12958: DECL: 06/06/2017

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SUBJECT: ASAD'S REFERENDUM COST SYRIA UP TO ONE BILLION USD

REF: DAMASCUS 0502

CLASSIFIED BY: CDA WILLIAM ROEBUCK FOR REASONS 1.4 B/D

11. (C) SUMMARY: THE EXTENSIVE CELEBRATIONS SURROUNDING THE MAY 27 PRESIDENTIAL REFERENDUM ARE ESTIMATED TO HAVE COST SYRIA UP TO USD 1 BILLION. THE SARG ALONE SPENT MILLIONS OF DOLLARS TO ENCOURAGE A PRO-BASHAR FRENZY AND COORDINATE THE VARIOUS MARCHES, RALLIES, AND OTHER CELEBRATIONS TAKING PLACE OVER A PERIOD OF SEVERAL WEEKS. IN ADDITION, THE REGIME, ESPECIALLY THE SECURITY SERVICES, COMPELLED PRIVATE BUSINESSMEN TO PROVIDE CONTRIBUTIONS, BOTH TO GARNER ADDITIONAL FINANCIAL RESOURCES, BUT ALSO TO INSTILL A SENSE AMONG THE GENERAL POPULATION THAT BASHAR ENJOYS WIDE SUPPORT. THE ENORMOUS EXPENSE HAS LEFT SOME SYRIANS, INCLUDING THE BUSINESS ELITE, FEELING MANIPULATED BY THE REGIME AND ANNOYED AT A WASTE OF SYRIAN FUNDS. END SUMMARY.

12. (C) DRESSING UP "VANILLA" FOR PUBLIC CONSUMPTION: IN THE WEEKS LEADING UP TO AND FOLLOWING THE MAY 27 PRESIDENTIAL REFERENDUM, EVERYDAY LIFE IN SYRIA WAS OVERTAKEN BY FESTIVITIES PROCLAIMING SYRIANS' OVERWHELMING SUPPORT FOR THEIR CHOICE, PRESIDENT BASHAR AL-ASAD (REF A). THE ENVIRONMENT WAS ONE OF NATIONALISTIC CELEBRATION, WITH SIGNS AND BANNERS OF ASAD ON EVERY AVAILABLE LOCALE, TENTS HOSTING NIGHTLY LECTURES AND MUSIC, AND ENORMOUS PRO-BASHAR RALLIES IN MOST MAJOR CITIES. THE CELEBRATIONS CULMINATED WITH EVEN LARGER STREET PARTIES, FIREWORKS SHOWS, AND PARADES AFTER THE REFERENDUM PASSED BY A CLAIMED MARGIN OF 98 PERCENT. THE PRO-BASHAR CELEBRATIONS, WHICH PERMEATED THE ENTIRE COUNTRY, LEFT MANY SYRIANS COMMENTING TO US PRIVATELY THAT THEY FELT COMPELLED TO (OR WERE COMPELLED TO) PARTICIPATE IN SOME WAY. OF COURSE, THE LENGTHS THAT THE REGIME WENT TO ENSURE SUCH FULL PARTICIPATION HAD SIGNIFICANT FINANCIAL COSTS.

13. (C) PUBLIC SECTOR LOSSES: IN TOTAL, THE REGIME NOT ONLY PAID FOR THE ACTUAL HOLDING OF THE REFERENDUM, BUT IT ALSO EXPENDED PUBLIC RESOURCES, INCLUDING TRANSPORTATION, FUEL, BROADCAST TIME, AND MILLIONS OF WORKING HOURS TO COORDINATE MARCHES, RALLIES, AND OTHER PUBLIC CELEBRATIONS. GOVERNMENT OFFICES AND INDUSTRIES WERE ALSO SHUT DOWN DURING VARIOUS CELEBRATIONS STRETCHING OVER A THREE WEEK PERIOD, RESULTING IN SIGNIFICANT PRODUCTION LOSSES. PRIVATE SECTOR BUSINESSES WERE ALSO NEGATIVELY AFFECTED BY THESE ACTIVITIES, WITH NUMEROUS RALLIES AND PARADES STOPPING TRAFFIC AND PARALYZING THE MAJOR CITIES FOR HOURS AT A TIME. GIVEN THE REGIME'S UTTER LACK OF TRANSPARENCY IT IS IMPOSSIBLE TO KNOW FOR SURE THE COSTS OF THE CAMPAIGN. NEVERTHELESS, THE DAMASCUS DECLARATION OPPOSITION GROUP PUT DIRECT AND INDIRECT COSTS AT USD 1 BILLION AND OTHER SOURCES CLAIM THE CAMPAIGN COST AN ESTIMATED USD 50 MILLION PER DAY (MORE THAN USD 1 BILLION OVER A THREE WEEK PERIOD).

14. (C) PRIVATE SECTOR SQUEEZED FOR CONTRIBUTIONS: INNUMERABLE BUSINESS CONTACTS HAVE REPORTED BEING UNPLEASANTLY "SQUEEZED" BY SECURITY SERVICES AND GOVERNMENT MINISTRIES TO CONTRIBUTE TO CELEBRATORY SIGNS, IN-KIND GOODS, AND COMPANY TENTS DEDICATED TO ASAD. CONTACTS HAVE REPORTED BEING ASKED TO PROVIDE ANYWHERE FROM A HUNDRED DOLLARS TO THOUSANDS OF DOLLARS, AND WERE OFTEN ASKED TO PROVIDE SUCH CONTRIBUTIONS SEVERAL TIMES BY DIFFERENT ORGANIZATIONS. BUSINESSMEN WITH CLOSE REGIME TIES, OR LUCRATIVE CONNECTIONS TO GOVERNMENT CONTRACTS AND SARG-FUNDED PROJECTS, APPEARED MOST PRESSED FOR SUPPORT, BUT THERE ARE NUMEROUS REPORTS OF SMALL BUSINESSES PRESSURED TO CONTRIBUTE AS WELL. RAMI MAHKLOUF (ASAD'S COUSIN AND REPORTED "BAGMAN") HOSTED CELEBRATIONS AT A MAIN TENT IN THE MAJOR SQUARE IN DOWNTOWN DAMASCUS, BUT HE IS ALSO REPORTED TO HAVE HOSTED A VARIETY OF DINNER PARTIES TO "RAISE" ADDITIONAL FUNDS FROM OTHER BUSINESSMEN FOR THE EVENT. THE HEAD OF ONE OF THE LEADING DAMASCENE BUSINESS FAMILIES COMMENTED PRIVATELY THAT HE WAS HIT UP BY SEVERAL DOZEN SECURITY SERVICES AND MINISTRIES, AND WHEN REFUSING ONE SUCH REQUEST WAS CALLED BY PRESIDENT ASAD'S OFFICE DIRECTOR AND ASKED WHY HE WASN'T SUPPORTING THE CAUSE.

15. (C) COMMENT: THE REFERENDUM PROVIDES YET ANOTHER EXAMPLE OF HOW THE SARG USES HEAVY-HANDED TACTICS AND MANIPULATION TO COMPEL SUPPORT FOR THE REGIME. WHILE SYRIA IS RETURNING TO NORMAL AND MOST SIGNS FROM THE ELECTION HAVE COME DOWN (ALBEIT MOST OF IT REMOVED IN THE DARK OF NIGHT), THE "SHAKEDOWN" THAT IS PART OF LIFE UNDER THE ASAD REGIME CONTINUES. IT IS RUMORED THAT RAMI MAHKLOUF IS FUNDRAISING FOR YET ANOTHER SIGN OF NATIONAL FERVOR - THE CONSTRUCTION OF A GIGANTIC SYRIAN FLAG (ALLEGEDLY THE LARGEST IN THE WORLD) TO BE HUNG IN A CENTRAL PARK IN DAMASCUS.  
ROEBUCK